

Date November 20, 2017

RESOLUTION APPROVING ASSIGNMENT AND ASSUMPTION OF URBAN RENEWAL AGREEMENT WITH MACERICH SOUTHRIDGE MALL LLC, SOUTHRIDGE ADJACENT LLC, AND SOUTHRIDGE APARTMENTS PARTNERS, L.P., TO PERMIT THE SALE OF A PORTION OF THE SOUTHRIDGE MALL FOR A MULTIPLE-FAMILY HOUSING PROJECT; APPROVING A COLLATERAL ASSIGNMENT TO CITIBANK, N.A., FOR CONSTRUCTION FINANCING; AND APPROVING A CONCEPTUAL DEVELOPMENT PLAN FOR SUCH PROJECT

WHEREAS, on May 7, 2012 by Roll Call No. 12-0745, the Des Moines City Council approved an Urban Renewal Development Agreement with Macerich Southridge Mall LLC and Southridge Adjacent LLC (collectively "Macerich"), represented by Scott McMurray, for the redevelopment and repurposing of Southridge Mall at SE 14th Street and E. Army Post Road into a mixed use district for retail, general commercial and residential uses (the "Improvements") in compliance with an approved Conceptual Development Plan; and,

WHEREAS, on June 22, 2015, by Roll Call No. 15-1035, the City Council has approved an Amended and Restated Urban Renewal Development Agreement (the "Development Agreement") with Macerich which restructured the project to provide a separate assignable Economic Development Grant for each phase of the Improvements to the Southridge Mall; and,

WHEREAS, Southridge Apartments Partners, L.P. ("Southridge Partners"), proposes to purchase a parcel (the "Residential Parcel") from Macerich containing approximately 18 acres and located along the southern border of the Southridge Mall campus, for development with approximately 288 housing units in conformance with a proposed Conceptual Development Plan; and,

WHEREAS, Southridge Partners has requested City approval of the proposed Conceptual Development Plan for the development of the Residential Parcel; and of a proposed *Assignment and Assumption of Amended and Restated Urban Renewal Development Agreement* (the "Assignment Agreement") wherein the City consents to: i) the sale of the Residential Parcel to Southridge Partners for redevelopment in conformance with a City approved Conceptual Development Plan; and ii) to the assignment to Southridge Partners of the Economic Development Grant for the Residential Parcel as a separate phase of the Improvements; and,

WHEREAS, Southridge Partners has also requested City approval of a proposed collateral assignment of its interests in the Development Agreement and Assignment Agreement to Citibank, N.A., as additional security for the construction loan for the development of the Residential Parcel, all as provided in the proposed *Assignment of Development Agreement, Pledge and Security Agreement* (the "Collateral Assignment"); and,

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WHEREAS, on November 14, 2017, the members of the Urban Design Review Board reviewed the proposed Conceptual Development Plan for the Residential Parcel and voted 6 to 0 in support of a motion to recommend approval of the proposed Conceptual Development Plan, subject to seeing additional design information on the following:

- Color samples of the proposed architectural materials that also show texture of fiber cement board and sizing of brick to be used.
- Drawings that show critical design details of how the jointing of fiber cement board siding will meet at corners, the roof parapet, soffits, and decorative entrance canopies.
- Color building elevations that demonstrate how the mechanical venting is integrated into the exterior wall.
- Design details showing the north/south pedestrian sidewalk connections to Southridge Mall and DMACC. A focus should be given on providing a pleasant and welcoming pedestrian experience.
- Study providing a continuous pedestrian route and possibly eliminating some parallel parking stalls on the south drive approach to provide better access to green space to the south.
- Work with staff to see how to change the drive approach widths to 22' rather than the current 26', to provide a more conducive pedestrian environment.
- Explore making the landscaping on the south periphery of the parking lot and around the retention basin more naturalized in form rather than lineal. Additionally, study making the shape of the retention basin more naturalized in form.

WHEREAS, in response to the Board's comments, Southridge Partners has agreed to amend the Conceptual Development Plan as set forth in the accompanying letter; and,

WHEREAS, the proposed Conceptual Development Plan, Assignment Agreement, and Collateral Assignment are on file and available for public inspection in the office of the City Clerk.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

1. The proposed Conceptual Development Plan, Assignment Agreement, and Collateral Assignment are hereby approved. The Mayor and City Clerk are hereby authorized and directed to execute the Assignment Agreement and Collateral Assignment on behalf of the City of Des Moines. The City Clerk is further directed to forward the executed documents to the Office of Economic Development for release to Southridge Partners.

(continued)



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2. Upon issuance of the Certificate of Completion for the development of the Residential Parcel described above and requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the semi-annual installments on the Economic Development Grant attributable to the development of the Residential Parcel, to Southridge Apartments Partners, L.P., as provided in the Assignment Agreement.

3. The City Manager or his designees are hereby authorized and directed to administer the Assignment Agreement on behalf of the City and to monitor compliance by Macerich and Southridge Partners with the terms and conditions of the Development Agreement and the Assignment Agreement. The City Manager is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with such agreements.

(Council Communication No. 17- **811**)

MOVED by _____ to adopt and approve.

FORM APPROVED:

Roger K. Brown, Assistant City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MOORE				
WESTERGAARD				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk

TWG Development, LLC

333 N. Pennsylvania St., Suite 100
Indianapolis, IN 46204
T 317.264.1833
www.twgdev.com



November 17th, 2017

Ryan Moffat

Economic Development Project Manager
City of Des Moines Office of Economic Development
Des Moines, IA 50321

RE: Urban Design Review Board Responses – Southridge Apartments

Ryan:

Per our discussion, TWG Development would like to respond to the Urban Design Review Boards suggestions as follows in advance of the City Council Meeting on November 20th:

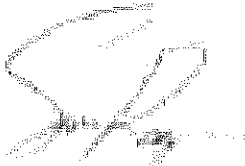
- 1.) Color samples of the proposed architectural materials that also show texture of fiber cement board and sizing of brick to be used. **Response: TWG agrees to provide color samples of the proposed architectural materials that also show texture of fiber cement board and sizing of brick to be used.**
- 2.) Drawings that show critical design details of how the jointing of fiber cement board siding will meet at corners, the roof parapet, soffits, and decorative entrance canopies. **Response: TWG agrees to provide drawings that show critical design details of how the jointing of fiber cement board siding will meet at corners, the roof parapet, soffits, and decorative entrance canopies.**
- 3.) Color building elevations that demonstrate how the mechanical venting is integrated into the exterior wall. **Response: TWG will provide color building elevations that demonstrate how the mechanical venting is integrated into the exterior wall.**
- 4.) Design details showing the north/south pedestrian sidewalk connections to Southridge Mall and DMACC. A focus should be given on providing a pleasant and welcoming pedestrian experience. **Response: TWG agrees to provide design details and construct north/south pedestrian sidewalk connections to Southridge Mall and DMACC with sidewalks, greenspace, and landscaping subject to agreement/approvals between the City, TWG, and Macerich**
- 5.) Study providing a continuous pedestrian route and possibly eliminating some parallel parking stalls on the south drive approach to provide better access to green space to the south. **Response: TWG is not comfortable providing access to the green space to the south for the following reasons:**
 - a.) **From a liability standpoint, the greenspace to the south (on the project's property) has a significant grade change (25') that presents a very real potential for injury to our tenants.**
 - b.) **From a legal standpoint, TWG cannot give access and encourage our tenants to access/use the land to the south of the project (forest preserve) as that land is privately owned. TWG cannot encourage trespassing on private property.**
 - c.) **TWG has agreed to extend the sidewalk from the main development out to SE 5th Street in order for our tenants to access Fort Des Moines Park and have access to green space and additional recreational amenities**

- 6.) Work with staff to see how to change the drive approach widths to 22' rather than the current 26', to provide a more conducive pedestrian environment. **Response: From TWG's understanding, Fire Code will not allow us to change the drive approaches from 26' to 22' without an exemption. From TWG's understanding, the exemption would require a significant upgrade to the sprinkler systems that the project's current budget cannot absorb. Additionally, a change in the drive lanes would require an almost full redesign of our site plan, grading plans, etc. which would add significant increased costs and require nearly a month of delays which the project cannot afford with timing of purchase contracts, lenders, etc.**
- 7.) Explore making the landscaping on the south periphery of the parking lot and around the retention basin more naturalized in form rather than lineal. Additionally, study making the shape of the retention basin more naturalized in form. **Response: TWG agrees to modify the landscaping around the retention basin to show a more naturalized form. TWG agrees to explore making the shape of the retention basin more naturalized in form but reserves the right to keep the form of the detention pond as is.**

TWG Development, LLC looks forward to completing all the required City approvals and commencing construction on Southridge Apartments.

Please feel free to contact me if you have any questions.

Cordially,



Sam Rogers
Development Director – Iowa
TWG Development
333 N. Pennsylvania, Suite 100
Indianapolis, IN 46202
Office: (317)-264-1833 ext. 268
Mobile: (317)-417-1533
srogers@twgdev.com
www.twgdev.com